



# HOUSE BILL 671: Mills River/Deannexation

2013-2014 General Assembly

<b>Committee:</b>	Senate Finance	<b>Date:</b>	May 28, 2013
<b>Introduced by:</b>	Committee on Rules, Calendar, and Operations of the House	<b>Prepared by:</b>	Cindy Avrette Committee Counsel
<b>Analysis of:</b>	Second Edition		

**SUMMARY:** *House Bill 671 would deannex 12 home sites ("property") from the Town of Mills River and maintain the zoning authority of the Town of Mills River over the property for 90 days to allow Henderson County an opportunity to determine a County zoning designation.*

**CURRENT LAW:** Under Section 1 of Article VII of the NC Constitution, the General Assembly is empowered to "provide for the organization and government and the fixing of boundaries of counties, cities and towns, and other governmental subdivisions, and, except as otherwise prohibited by this Constitution, may give such powers and duties to counties, cities and towns, and other governmental subdivisions as it may deem advisable."

Pursuant to this Section, the General Assembly enacted Article 4A of Chapter 160A of the General Statutes, which governs municipal annexations. The General Assembly has not enacted any method for municipalities to *deannex* property — that power remains with the General Assembly.

**BILL ANALYSIS:** House Bill 671 would deannex 12 home sites from the Town of Mills River. The bill would maintain the zoning authority of the Town of Mills River over the property for 90 days to allow Henderson County an opportunity to determine a County zoning designation.

The bill would not affect the duty of the owners to pay taxes for any prior year, and does not eliminate any liens for taxes for prior years. The property will continue to be subject to taxes levied by Henderson County, including taxes levied by the County to maintain the Etowah Horse Shoe Fire District.

**EFFECTIVE DATE:** The bill would become effective June 30, 2013.

**BACKGROUND:** When the Town of Mills River was incorporated in 2003, the property was erroneously included in the Town's corporate limits. The property was believed to be in a fire district that included the Town. The property was, in fact, in a fire district different than the Town.

The Town attempted to provide fire protection through an agreement with the responding fire district. The responding fire district had a different tax rate than the fire district covering the Town, and no long-term agreement was reached. De-annexing the property allows the property to receive fire protection from the fire district covering the property and pay the tax rate for the correct fire district. The Town supports the deannexation.

*Erika Churchill, counsel to the House Government Committee, substantially contributed to this summary.*

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